

Biodiversity & Ecosystem Services Policy

January 2023

1. Purpose & Scope

- 1.1. To establish, implement and maintain a Nemak Biodiversity and Ecosystem Services Policy.
- 1.2. To clearly define, communicate, and visibly demonstrate our commitment to the principles of Biodiversity, No-deforestation & World Heritage properties.
- 1.3. This policy applies to all operational aspects, business locations, and including Nemak commercial activities.

2. Definitions

- a) **Biodiversity:** A measure of variation at the species and ecosystem level which is determined to be critical to the health and stability of natural capital.
- b) **Ecosystem services:** benefits to people from ecosystems, such as timber, fiber, pollination, water regulation, climate regulation, recreation, mental health, and others.
- c) **No-deforestation scope:** Nemak' s commitment to no-deforestation through preservation, conservation, and reforestation within the boundaries of its locations.
- d) **World Heritage:** World Heritage is the designation for places on Earth with outstanding universal value to humanity and as such, have been inscribed on the World Heritage List to be protected for future generations to appreciate and enjoy.
List available: <http://whc.unesco.org/en/list>.

3. General Guidelines

3.1. Accountability

- a) Members of the Executive Committee shall approve the Nemak Biodiversity & Ecosystem Services Policy.
- b) The BU senior executive shall be active and visible in promoting a common understanding of the Nemak Biodiversity Policy.
- c) The Site / Plant Manager responsible for HSE shall be responsible for implementing the Nemak Biodiversity and Ecosystems Services Policy.

3.2. Minimum Expectations

- a) The application of this policy shall be achieved through the implementation of the Biodiversity & Ecosystem Procedure, which sets out Nemak' s expectations and commitments for implementation in our company.

3.3. Maintaining Expectations

- a) A process shall be developed to ensure that this Policy Statement is reviewed where appropriate, updated and re-issued.
- b) The BU senior executive shall ensure that the budgeting process allows for sufficient resources to implement, maintain, and drive continual improvement of the Nemak biodiversity and ecosystem objectives.

3.4. Communication and Engagement

- a) All Nemak employees shall receive training on this Policy and requirements.
- b) All Nemak contractors and visitors shall be made aware of this Policy and requirements.

4. Contact Information

For questions or comments about this policy, contact Global HSE Management Systems Manager.

5. Revisions

0 – January 2023

6. Created / Approved by

Created: Global Director of HSE

Approved: VP Manufacturing & PD
Nemak CEO

7. Documents to support implementation

7.1. Annex 1: Nemak Biodiversity & Ecosystem services Policy



Nemak Biodiversity & Ecosystem Services Policy

We recognize that our activities have the potential to affect the value of biodiversity within land, freshwater, and marine ecosystems. As a result, we are committed to operating in a manner that supports sustainable land use, minimizing our impact on the environment, and managing the conservation of the ecosystem including respect for biological functions within the boundaries of our operational control.

To strengthen our commitment, we apply the biodiversity mitigation hierarchy of avoidance, minimization, mitigation through restoration, and offsets during all of the lifecycle stages of our facilities.

We commit to respecting local and international biodiversity standards. We respect legally designated protected areas, including commitments to no deforestation and no developments in World Heritage sites, national parks, and nature reserves where strict conservation management is implemented.

Within the scope of our organization, we will implement a Biodiversity Action Plan with time-bound targets and controls to protect threatened species and their habitats for inclusion in our annual sustainability reports so that all stakeholders can assess our biodiversity performance.